

CHAPTER 3.30

Economic Development Incentive Plans

3.30.010 Economic development incentive plan established – calendar year basis.

A. An economic development incentive plan is hereby established to encourage the location of new businesses and the expansion of existing businesses within the city, thereby stimulating the general economic well-being of the City, providing the foundation of funding required for the provision of City services and the direct general public welfare by benefiting every public and private sector through the generation of employment opportunities with the attendant increase of disposable income.

B. The incentives described below shall be available to any new or expanding manufacturing, processing, distribution, retail, or research and development business, as defined in Subsection D of this Section that meets the following criteria and exclusions:

1. New or expanding business shall not include any corporate reorganization, sale of an existing business or resumption of business activities unless such business has been closed for at least the previous twelve (12) months.
2. Eligible new or expanding business shall derive its principal source of income from manufacturing, processing, distribution, retail, and/or research and development activities.
3. Eligible new or expanding business shall invest a minimum of one hundred thousand dollars (\$100,000.00) in a new or replacement building and/or equipment/machinery during the calendar year in which application is made for incentives.
4. Eligible existing or new business shall employ or add a minimum of five (5) full-time or full-time equivalent employees during the first full year of operation in which application is made for incentives.

C. The incentives described below shall be available to any new or expanding manufacturing, processing, distribution, retail, or research and development business, as defined in Subsection D below, that meets the following criteria and exclusions:

1. New or expanding business shall not include any corporate reorganization, sale of an existing business or resumption of business activities unless such business has been closed for at least the previous twelve (12) months.
2. Eligible new or expanding business shall derive its principal source of income from manufacturing, processing, distribution, retail, and/or research and development activities.
3. Eligible new or expanding business shall invest a minimum of one million dollars (\$1,000,000.00) in a new or replacement building and/or equipment/machinery during the calendar year in which application is made for incentives.
4. Eligible existing or new business shall employ or add a minimum of forty (40) full-time or full-time equivalent employees during the first full year of operation in which application is made for incentives.

D. The following definitions shall apply in determining the eligibility of companies for the economic development incentive plan:

Development fees include fees such as planning and zoning fees, building permit fees, drainage fees, and other similar fees.

Distribution means the temporary storage of tangible personal property for later dissemination.

Full-time employee means an employee of the firm which is expected in the normal course of employment to provide at least two thousand eighty (2,080) hours of compensation service during any consecutive twelve month period.

Full-time equivalent means any combination of seasonal or part-time employees whose compensated hours during a consecutive twelve-month period equals two thousand eighty (2,080) hours.

Machinery and equipment means those articles of tangible machinery or personal property exclusively used in the industrial manufacturing process, research and development, or computer hardware not used for word processing.

Manufacturing or processing means the operation of producing, in an industrial use, an item of tangible personal property different from and having a distinctive name, character, or use from raw or prepared materials.

Research and development shall mean those activities directly related to the development of an experimental or pilot model, a plant process, a product, a formula, an invention or similar property, and the improvement of already existing property of the type mentioned. Research and development shall not include ordinary testing or inspection of materials or products for quality control or those for efficiency surveys, management studies, consumer surveys, advertising, promotions or research related to literary, historical or similar projects.

Retail shall mean any business devoted primarily to the sale (as defined in Section 39-26-102(11), C.R.S.) of tangible personal property or services to the general public.

E. Incentives shall be available to businesses each calendar year in which the business constructs or expands, if such construction or expansion meets with the criteria, exclusions and definitions established in Subsections B and C above. (Ord. 418-07; Ord. 294-04; Ord. 980-95; Ord. 777 90)

3.30.020 Economic development incentive – waiver of fees.

A. For businesses qualifying under Section 3.30.010 above, City development fees may be waived in an amount to be determined by the City Council, up to a maximum of twenty-five percent (25%) of the total development fee paid.

B. The following fees shall not be waived: water and sewer plant investment fees, drainage fees, fire impact fees, street impact fees, park impact fees and that portion of the City sales and use tax collected that is dedicated for public safety (currently this rate is one-half percent (0.5%)). (Ord. 294-04; Ord. 980-95; Ord. 777 90)

3.30.030 Economic development incentive – waiver of sales and use taxes.

City sales and use taxes for businesses qualifying under Section 3.30.010.B shall be waived, for the period of construction or expansion only, as follows:

A. City sales and use taxes on construction materials, fixed equipment and machinery installation, or facilities lease may be waived up to twenty-five percent (25%) of the total paid to the City, up to a maximum waived of three hundred thousand dollars (\$300,000.00).

B. City sales and use taxes on equipment and machinery, research equipment, and computer hardware not used for word processing, when the business investment for such equipment reaches a minimum of one hundred thousand dollars (\$100,000.00), may be waived up to twenty-five percent (25%) of the total paid to the City, up to a maximum waived of three hundred thousand dollars (\$300,000.00). (Ord. 418-07; Ord. 294-04; Ord. 777 90)

3.30.035 Economic development incentive – waiver of sales and use taxes.

City sales and use taxes for businesses qualifying under Section 3.30.010.C of this Chapter shall be waived, for the period of construction or expansion only, as follows:

A. City sales and use taxes on construction materials, fixed equipment and machinery installation, or facilities lease may be waived up to twenty-five percent (25%) of the total paid to the City, up to a maximum waived of five hundred thousand dollars (\$500,000.00).

B. City sales and use taxes on equipment and machinery, research equipment, and computer hardware not used for word processing, when the business investment for such equipment reaches a minimum of one hundred thousand dollars (\$100,000.00), may be waived up to twenty-five percent (25%) of the total paid to the City, up to a maximum waived of five hundred thousand dollars (\$500,000.00). (Ord. 418-07; Ord. 294-04; Ord. 777 90)

3.30.040 Documentation required – appeals.

A. Businesses wishing to apply for the benefits of the economic development incentive plan shall submit to the City Manager all documentation necessary for determination of qualification for the plan. All plans must have final approval of the City Council.

B. Any business aggrieved by a decision of the City Manager concerning eligibility or computation of waivers may submit in writing a request for hearing before the City Council. Such request must be filed with the City Clerk within ten (10) days after the mailing date of the City Manager's decision. Failure to submit a request within ten days shall be deemed a waiver of the right to a hearing. The decision of a majority of the entire City Council shall be final. (Ord. 294-04; Ord. 777 90, 1990)

3.30.050 Incentive payments.

The City Manager may negotiate for an incentive payment with any entity that establishes a new business facility, as defined in Section 39-22-508.2(3), C.R.S., but excluding the requirements in paragraph (b) of said subsection (3); or with any taxpayer who expands a facility, as defined in Section 39-22-508.2(2)(a), C.R.S. Such negotiations shall be within the guidelines of Section 31-15-903, C.R.S. In no instance shall any such negotiations result in an annual incentive payment or credit that is greater than fifty percent (50%) of the amount of taxes levied by the City upon the taxable personal property directly attributable to such new construction or expansion at or within such new or expanded facility and

used in connection with the operation of such new or expanded facility for the current property tax year. The term of any agreement made pursuant to the provisions of this Section shall not exceed ten (10) years. The County and local school district shall be informed of any such negotiations. (Ord. 294-04; Ord. 980-95; Ord. 777 90)

3.30.060 Limitation.

No waiver of fees shall be permitted under the provisions of this Chapter unless the City Council first determines, by resolution, that the establishment or expansion of the particular business is expected to generate, within a reasonable period of time, but in no event greater than five (5) years, increased revenues to the City, in the form of taxes or otherwise, in an amount equal to or greater than the amount of the fees to be waived. The City Council may condition any such waiver of fees upon the provision of adequate security to ensure return. (Ord. 294-04; Ord. 777 90)

3.30.070 No entitlement established.

The provisions of this Chapter shall not be construed as establishing any right or entitlement to the waiver of fees on the part of any applicant and the granting of any such waiver shall be entirely discretionary with the City Council. (Ord. 294-04; Ord. 777 90)